



601 N Central Ave

Avondale, AZ 85323

Retail
Investment Opportunity

Offering Memorandum



MATTHEWS™

Exclusively Listed By

Point of Contact



Hudson DeJean

Senior Associate

(602) 218-5242

HUDSON.DEJEAN@MATTHEWS.COM

License No. SA704485000 (AZ)



Alex Desoto

First Vice President & Director

(602) 898-8499

ALEX.DESOTO@MATTHEWS.COM

License No. SA705467000 (AZ)

David Harrington

Broker of Record

License No. CO701910000 (AZ)

MATTHEWS™





Table of Contents

- 04 Property Overview
- 07 Offering Overview
- 10 Tenant Overview
- 11 Market Overview

Property Overview

Sonic

601 N Central Ave, Avondale, AZ 85323



Investment Highlights

Property Highlights

- **Absolute Triple Net (NNN) Lease:** The property has an absolute NNN lease, eliminating all landlord responsibilities, including taxes, insurance, and maintenance. This structure provides investors with a truly passive, management-free income stream.
- **Established Franchise Operator:** The tenant, SW Karma, LLC, is a proven Sonic Drive-In franchisee operating 28+ locations across the region. The Merritt Group operates 150+ Sonic's across nine states in separate entities, SW Karma, LLC being one, but has been a Sonic operator since 1973.
- **Strong Operating History:** The site has functioned continuously as a Sonic Drive-In for 48+ years, underscoring the location's long-term viability and sustained consumer demand in this trade area.
- **Robust Demographic Growth:** The surrounding area has a population of $\pm 209,886$ within a ± 5 -mile radius. The ± 3 -mile radius has experienced a historical population growth rate of 4.45% (2020–2024) and is projected to grow an additional 2.98% over the next five years, reflecting strong residential expansion and increasing demand drivers.
- **Strategic Location Near Phoenix:** Positioned in the Phoenix metropolitan area, the property leverages access to one of the fastest-growing major markets in the United States, supporting both tenant performance and long-term real estate value appreciation.



601 N Central Ave,
Avondale, AZ 85323

±8.5 Years

Lease Term Remaining

Absolute NNN

Lease Type

1977

Year Built

±1,264 SF

GLA

±0.49 AC

Lot Size



Offering Overview

Sonic

601 N Central Ave, Avondale, AZ 85323



Financial Summary

\$1,500,000

List Price

6.14%

Cap Rate

\$92,159

NOI

Property Details

Tenant	Sonic
Lease Guarantor	SW Karma, LLC
Lease Expiration Date	4/30/2034
Lease Term Remaining	±8.5 Years
Rent Increases	8.5% Every 5 Years
Option Periods	Four, 5-Year Options
Lease Type	Absolute NNN
Parking Lot / CAM	Tenant Responsibility
Property Tax	Tenant Responsibility
Insurance	Tenant Responsibility
Roof/Structure	Tenant Responsibility

Annualized Operating Data

Years	Monthly Rent	Annual Rent	Rent Increase
Current- 3/31/2029	\$7,679.92	\$92,159.00	-
4/1/2029- 3/31/2034	\$8,332.71	\$99,992.52	8.50%






 **1408 Casitas Apartments**
±168 Units

 **Lattie Coor School**
±351 Students

 **Avondale Middle School**
±409 Students

 **St. John Vianney Catholic School**
±408 Students



 **Silver Birch of Avondale**
Assisted Living Facility



 **Mountain View Apartments**
±150 Units



Subject Property

± 190,330 VPD



N Central Ave

Tenant Summary

Year Founded
1953

Headquarters
Oklahoma City, OK

Ownership Status
Subsidiary

Employees
5,000+

Locations
3,400+

Annual Revenue
\$5 Billion



Tenant Overview

Sonic Drive-In is a nationally recognized quick-service restaurant (QSR) brand known for its distinctive drive-in format, extensive drink menu, and all-American fare. Headquartered in Oklahoma City, Oklahoma, Sonic operates as a subsidiary of Inspire Brands, one of the largest restaurant companies in the U.S. With a footprint of over 3,400 locations across 46 states, Sonic combines nostalgic appeal with modern operational systems to serve millions of guests annually. The brand continues to evolve through digital innovation, dynamic marketing, and product diversification, maintaining its position as a leading player in the drive-in and QSR segments.

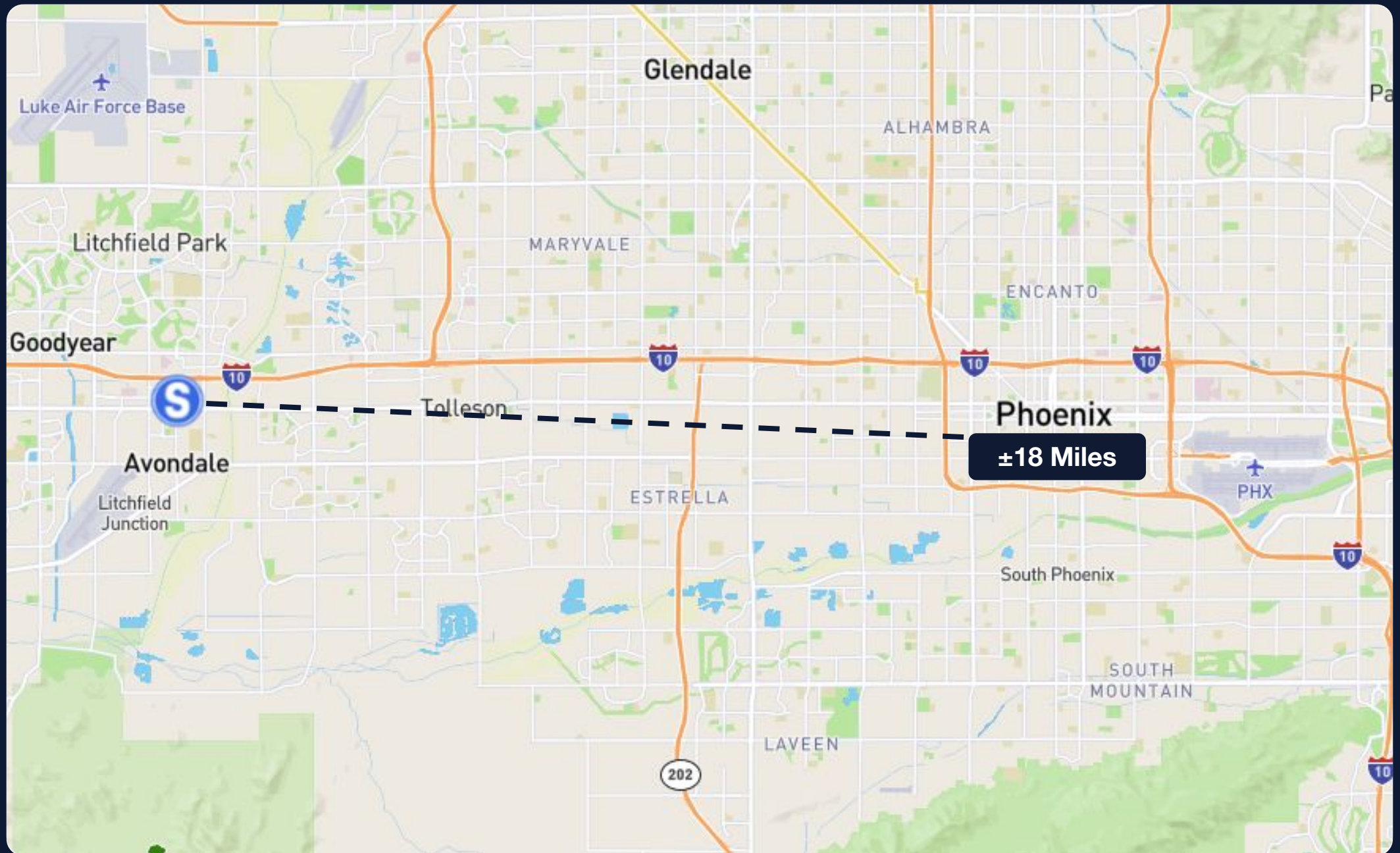
Why Invest in Sonic?

- **Established Brand with National Recognition:** Sonic is one of America's most iconic quick-service restaurant brands, known for its distinctive drive-in format, customizable menu, and nostalgic appeal. Its strong brand equity and customer loyalty help drive consistent foot traffic and system wide performance.
- **Operational Scale and Franchise Network:** With over 3,400 locations in 46 states, Sonic maintains a significant national presence supported by a robust franchise model. This scale enables broad market penetration, localized service, and operational efficiencies across diverse demographic profiles.
- **Parent Company Backing (Inspire Brands):** As a wholly owned subsidiary of Inspire Brands—a leading multi-brand restaurant platform—Sonic benefits from centralized innovation, shared resources, and strategic capital investment. This enhances long-term stability and growth potential.
- **Marketing Innovation and Consumer Engagement:** Sonic has continually adapted to shifting consumer preferences through digital ordering, targeted advertising, and strong social media presence. High-impact marketing campaigns and mobile app integration reinforce brand visibility and guest frequency.

Market Overview

Sonic

601 N Central Ave, Avondale, AZ 85323



Avondale, AZ

Local Market Overview

Avondale, Arizona, is a fast-growing retail hub in the West Valley, strategically located just ± 18 miles from downtown Phoenix with direct access via Interstate 10 and Loop 101. The city has experienced substantial commercial and infrastructure investment over the past decade, reinforcing its position as a regional destination for shopping, dining, and services. Major retail corridors such as McDowell Road, Dysart Road, and Avondale Boulevard have seen continued expansion, with national brands and grocery-anchored centers drawing consistent consumer traffic from both local residents and regional commuters.

The city's growth trajectory is driven by a combination of residential development, proactive municipal planning, and strong connectivity to Greater Phoenix employment centers. This dynamic supports increasing daytime and evening traffic, making the area particularly favorable for drive-thru restaurant formats. Avondale's transportation infrastructure and land use policies are well suited for high-traffic retail users, offering optimal site access, visibility, and ample parking. With growing consumer demand for convenience and speed, drive-thru restaurants are positioned to thrive in this environment, supported by a mix of commuter flow, local spending, and regional draw.



Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	14,129	84,597	221,961
Current Year Estimate	13,747	80,992	209,886
2020 Census	13,394	75,390	192,022
Growth Current Year-Five-Year	2.78%	4.45%	5.75%
Growth 2020-Current Year	2.64%	7.43%	9.30%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	4,576	28,333	75,824
Current Year Estimate	4,382	26,659	70,515
2020 Census	3,991	23,579	61,621
Growth Current Year-Five-Year	4.43%	6.28%	7.53%
Growth 2020-Current Year	9.79%	13.06%	14.43%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$69,122	\$106,435	\$120,176

Phoenix, AZ MSA

The Phoenix-Mesa-Scottsdale MSA is one of the fastest-growing metropolitan areas in the United States, with a current population exceeding 5.1+ million and strong annual in-migration driving strong demand across all major property sectors. The region's diversified economy, pro-business climate, and consistent job and income growth continue to make it a premier destination for real estate investment

5.19M

Total Phoenix MSA
Population

1.7%

Annual Population Growth
(2020-2025)

\$398B

Gross Domestic Product
(GDP) in 2023

1.6%

Annual Employment Growth
(2023-2024)

#10

Largest MSA in the U.S.
- U.S. Census Bureau

#14

Highest GDP (\$398B)
Among U.S. Metros
- BEA

#4

Best Performing Cities
in the U.S.
- Milken Institute (2022)

#1

Largest MSA in the
state of Arizona
- U.S. Census Bureau

#1

Top Growth Metro In
U.S. 2020-2020

#4

Largest population
growth in the U.S.
- AZ Big Media

#3

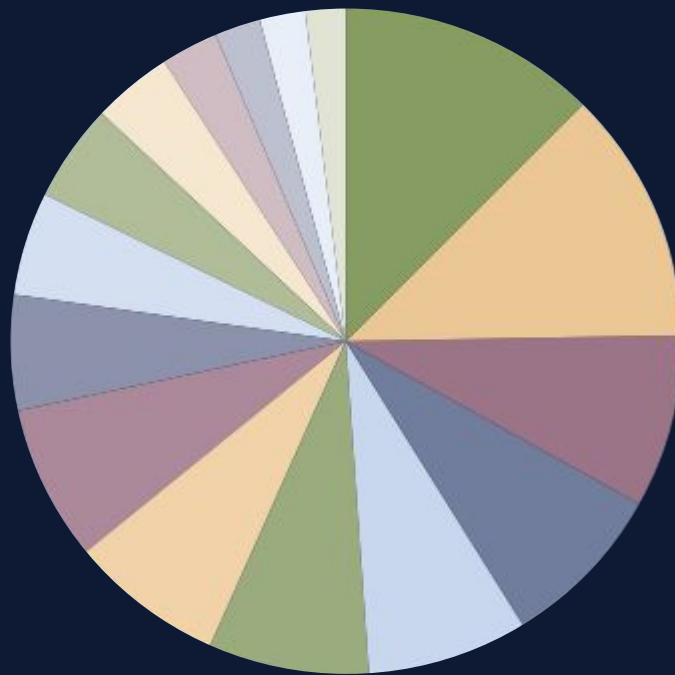
Best U.S. Metro for
Manufacturing
- Niche

#7

Best startup cities in
America
- AZ Big Media

Soaring High as a Hub for Growth and Innovation

The Phoenix MSA economy is one of the most dynamic in the United States, fueled by a diverse range of industries, including technology, advanced manufacturing, healthcare, and renewable energy. With a GDP of approximately \$362.1 billion, the region stands as a significant economic force, ranking among the top metro areas for business growth and investment potential. Phoenix's rapid population growth, strategic location in the Southwest, and business-friendly climate consistently attract both Fortune 500 companies and startups, solidifying its reputation as a hub for innovation and economic development.



12.30% Health Care	5.57% Admin & Support
12.00% Retail	5.03% Transportation
8.28% Education	4.44% Other Services
7.85% Manufacturing	3.99% Public Admin
7.67% Finance	2.53% Real Estate
7.61% Construction	2.33% Wholesale Trade
7.57% Professional	2.14% Arts/Entertainment
7.13% Accommodation	1.77% Information

\$398 Billion

Gross Domestic Product (2022)

12.7% Growth

In Employment Since 2020

MATTHEWS™

Exclusively Listed By Point of Contact



Hudson DeJean

Senior Associate

(602) 218-5242

hudson.dejean@matthews.com

License No. SA704485000 (AZ)



Alex Desoto

First Vice President & Director

(602) 898-8499

alex.desoto@matthews.com

License No. SA705467000 (AZ)

David Harrington | Broker of Record | License No. CO701910000 (AZ)

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **601 N Central Ave, Avondale, AZ, 85323** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.